AND THE COMMUNIST PROPOSALS ON KOREA
At the time of Stalin's death we estimated that his
successor, Malenkov, or the triumvirate of Malenkov, Beria
and Molotov would initially play a waiting and cautious
game. We assumed that they would be unusually sensitive to
any moves by the Free World which they might consider as
probing efforts to determine the possible points of weakness
of the new regime and that probably until the real power
was assumed by one strong man, presumably either Malenkov
or Beria, the future line of Soviet policy would not clearly

manifest itself. We had also assumed that the new regime

"almost certainly pursue the foreign and dimestic placece established would try to bask in the aura of the dead Statin as a during recent year." and that in particular it would probable, continue to method of retaining not only possible support at home but emphasize unremitting hustility to the West xxx."

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The recent series of Soviet moves seems to belie many of these predictions. This new regime has moved on two fronts - the international front with a "peace" offensive and the internal front with a widespread amnesty, the repudiation of the Stalin regime's doctors' plot, the virtually complete reorganization of the Party and government and the evident tendency to ignore the memory of Stalin in official pronouncements.

On the international front the following steps have been taken by the Soviet bloc:

(1) The acceptance of the UN command's proposal for the exchange of sick and wounded in Korea;

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- (2) Chou En-lai's statement apparently accepting
 the principle of voluntary repatriation of POW's watch was obviously prepared in Moscow and delivered within four
 days of his return to China;
- (3) The Seviet proposal to discuss the Western stand on disarmament and atomic controls:
- (4) The initiation of four-power discussions in Berlin regarding air safety in the Western air corridors:
- (5) The release of French and British internees in Korea, and Molotov's agreement to intercede with the North Korean Government in the case of American civilians interned in North Korea.
- (6) The replacement in external Soviet propaganda of the vitriolic anti-American theme by a stress on the possibility of coexistence.
- ship, " just as a consensual rule UN Secretary general, relaxation of traffic checks to a from Berling sending a wanthip total UK commation. These international moves are part of the long-anticipated

"peace" effensive. This came sooner than anticipated, however, and has been pushed with remarkable vigor. The new regime's "peace" gestures, in contrast to "peace offensives" during Stalin's tenure have already been backed up by minor concessions and extend to an unprecedented number of issues. Of significance, too, is the fact that a number of these international gestures in the fact that a number of these international gestures is the fact that a number of these international gestures are reversed Stalinist policies, particularly the practical acceptance of the Indian resolution on Korea.

at (1) breaking up the coalition of nations opposing Communist

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expansion and capable of exerting pressures on the Orbit and

(2) building up the power of the Soviet blocfor eventual works domination

The current shift in tactics probably springs from a Soviet recognition that the hardening of all East-West issues has not been serving its objectives and could lead to global hostilities. The Kremlin may await the outcome of its hints of willingness to settle some issues, and then only make such concessions as are necessary to break the East-West stalemate, to interfere with the Western defense effort, and aggravate the political and economic problems within the Western alliances. There are already some indications that the Soviet moves are having the effects in Western Europe of raising the popular hopes for a cessation of the cold war.

The possible gains to the Seviets are particularly obvious in their influence on our European allies. Ratification of EDC is made much less likely and the way is possibly prepared for more far reaching proposals which might bear upon the neutralization of Germany and Japan to prevent their rearmament or force the withdrawal of American troops from Europe and Asia. This of course is purely speculative but might be en the cards.

If these gestures prove to have substance, and only time can tell, it is reasonable to speculate that they stem from the Soviet desire to avoid war for the time being. All our estimates have been unanimous in the view that the Soviet Union would not now desire to provoke or to become involved in a general war.

It is reasonable to speculate that the one area where the Soview felt that events might lead toward war was in the Korean area in the event that the United States made a determined effort

Approved For Release: CIA-RDP80R01443R000100130007-1 to win a victory in this theatre and thereby enlarge the war. If so the Soviet might be faced with the alternatives of deserting its Chinese ally, or of direct intervention which might lead to general war. The measures taken to bring about an armistice may well be calculated to put aside this danger, which may seem very real to the Soviet as a result of the recent moves of our new administration, particularly the change in the orders to the Fleet respecting Formosa. The recent Soviet moves are more understandable if one accepts the hypothesis, and probably the Soviet leaders do, that American and possibly European rearmament, American air bases, and a vigorous American foreign policy represent a real and immediate threat.

It is too early to state whether this hypothesis is correct, but it is at least worth pendering.

The internal moves stem at least in part from a desire of the Matterkev regime to consolidate its position both in the Orbit and in the Soviet Union. The vindication of the Moscow doctors, the subdued vigilance campaign, the amnesty decree and the price reductions - all seem intended to prove the liberality of the new leaders, to increase the regime's stock at home and to build up morale.

In another sense, however, the internal moves, particularly the reversal of the doctors plot are more puzzling. When viewed in conjunction with the "peace campaign" and the governmental and party reorganization, they may represent a break with the sealingst past comparable only to the reversal that took place in 1939. Stalin has been reversed and to some extent repudiated. Communist broadcasts in recent days have made little reference

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to the dead leader. The internal/ propaganda emphasis is on indeed the theme of Communist solidarity, very largely to the exclusion of Malenkov or any other Kremlin leader.

Certain of the recent internal Soviet moves have raised devilonment speculation regarding the existence of a struggle for power in a nossibility which we did authorite the Soviet hierarchy, The idea that everything here suggested that the new regime is under internal stresses not usually associated with the seemingly monolithic Soviet state.

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Mest of the speculation centers about a struggle for power between the file times and the other all times. Malenkov and Beri with the possible interplay between the

Party, the Security Police and the Army. Firm indications of the scope or direction of this struggle are as yet lacking.

Seriya, a In this situation it is interesting to compare the Soviet initially came lessages to the outside world with their internal propaganda. Under their system it is possible to tell one story to the outside world, another to their own people. In the present situation the peace theme has not been particularly stressed in the internal propaganda. The Korean Armistice proposals have been briefly presented but without comment. The peace offensive elements of the move have not been stressed. However, anti-American propaganda has declined in recent days. The amnesty has been given wide currency and also the action with regard to the dectors' plot.

> In looking at the specific moves regarding Korea, the Chou En-lai proposal is a major departure from the previous Communist position in providing for the immediate repatriation

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of POWs willing to return and for the transfer to a "neutral" state of those unwilling to be repatriated. The Chinese continue to affirm their commitment, however, to the principle of total repatriation, and they continue to insist that all POWs who have refused repatriation have done so only because of UN pressure on them.

There are several possible stumbling-blocks in Chou's proposal. The Communists may seek an immediate cease-fire without medifying their total-repatriation principle. They may try to designate as a neutral state one which sooner or later would return all their POWs to them. They may try to obtain veto power in the body which is to process the POWs. And they may seek a provision enabling them to make "explanations" to the POWs indefinitely.

proposal probably represents a Communist intention eventually to ferego the fact of total repatriation if not the principle. The Communists appear to believe that their "explanations" to the POWs will induce a change of mind in the great majority of those POWs unwilling to be repatriated. The Communists probably feel that they can accept and explain away the continued refusal of a few thousands of POWs.

Assuming Communist sincerity in the new proposal, the Communists may be expected to press their earlier demand for a general conference on Far Eastern questions. Among the issues which they will probably wish to raise are Communist China's

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claim to a seat in the UN, the growing strength of Japan, the war in Indochina, and the status of Formosa.

The Chinese Nationalists are disturbed by the possibility that a Korean truce will jeopardize their existence as a sovereign power. They fear that it might lead to the withdrawal of American protection from Formosa, free seasoned Communist troops from Korea for an operation against Formosa, and end Nationalist hopes for returning to the mainland with American support.

Still assuming that the Communist peace campaign is genuine, we would expect Indochina to fit into it. A Viet Minh offensive, for which preparations were completed three weeks ago, has not yet been launched, and it seems possible that the new Communist global line has caused its postponement. The French command expects the campaign to open in a few days, however, and the French are also apprehensive that a Korean truce would lead to increased Chinese Communist participation in the Indochina war.

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